

**Attachment B**  
**Staff Report August 6, 2012**  
**Consider three parcels along Juan Bautista de Anza Trail corridor**

**I. Background**

A private citizen owns a 1.2-acre parcel of land with one small home on it, and is in escrow to purchase two additional parcels of land, with one additional home, within the proposed Juan Bautista de Anza Trail (Anza Trail) corridor. The first parcel was of 1.2-acres was purchased for \$120,000. The two additional parcels held in escrow, total approximately 7-acres. The citizen has agreed to purchase them for the price of \$325,000. The citizen would then like to sell the three parcels to the County, at cost (including purchase, property taxes, interest, real estate transaction and loan transaction costs) for the purpose of securing a potential portion of the Anza Trail corridor near Edna.

County Parks staff has assembled the steps and actions that would be required to move this project forward. Staff sought input regarding: Real Property Purchasing Steps; Trail Planning and Development Steps; Trail Access Acquisition Methods; Park Project Evaluation Criteria; High Priority Park Projects Rating List; and Funding Options. Information on these topics follows.

**II. Real Property Purchasing Steps:**

Regarding the potential purchase of these properties, staff consulted with County Real Property Services and determined that the following due diligence would be required, in accordance with the California Government Code, prior to the County purchasing property:

1. Discuss possible purchase of parcels with sellers and/or seller(s) agent(s);
  - Determine willingness to negotiate and work cooperatively with County.
2. Identify funding source(s);
  - Determine appropriate funding sources for preliminary studies and potential land purchase expenses.
  - Present Board Budget Adjustment Request for preliminary studies.
3. Obtain appraisals of the properties to determine the Fair Market Values of the properties, as required by Government code;
  - Estimated cost = \$ 15,000
4. Obtain Phase I environmental site assessment to determine potential or existing environmental contamination liabilities;
  - Determine scope of hazardous waste cleanup.
  - Estimated Consulting Cost = \$ \$12,000
5. Obtain environmental determination pursuant to Government code section 65402;
  - Estimated Cost = \$ 5,000
6. Determine tenant relocation requirements (additional costs if tenant relocation is required);
  - Determine if County will be required to compensate tenants for 42 months of rent plus moving expenses.
  - Estimated Consulting Cost = \$ 5,000
7. Obtain title searches to determine if seller has saleable interest in property, and any restrictions pertaining to the use of the land (real covenants, easements, or other servitudes);
  - Determine if parcels are encumbered by easements or other restrictions.
  - Estimated Cost = \$ 1,200
8. Determine General Plan Conformity pursuant to Government code section 65402; and,

9. Present Board Resolution of Intent to Purchase with a follow up Resolution Authorizing the Purchase of the property.
  - Pursuant to Government code section 25350, no purchase of real property shall be made unless a notice of the intention of the board of supervisors to make the purchase is published in the county pursuant to Section 6063, which states that notice must be published in a newspaper of general circulation at least three weeks prior to the time the board meets to consummate the purchase. The notice must contain the description of the property proposed to be purchased, the price, the vendor, and a statement of the time the board will meet to consummate the purchase.

None of the above listed steps have been completed regarding the three parcels that owner would like the County to purchase. The estimated cost for completing these preliminary investigations and required studies is approximately \$40,000 not including staff labor costs. The estimated time schedule required to complete these preliminary investigations and required studies is approximately 6 months.

### **III. Trail Planning and Development Steps:**

The County's Parks and Recreation Element policies state that County Parks shall consider, as the highest priority, those trail projects which:

1. Are on land owned or operated by the County, including public rights of way.
2. Connect urban communities or provide access to recreation areas.
3. Complete a trail corridor, where only small portions are missing.
4. Will be popular due to their length or location.
5. Offer alternative transportation.
6. Solve a safety concern.
7. Include a funding source
8. Minimize costs of development and maintenance

Currently, the parcels in question are not owned by the County. It is the citizen's desire that the County purchase these parcels. While the parcels are located within the Anza Trail corridor, and could potentially become part of the Anza Trail, this trail segment, between Pismo Beach and Edna, could not be completed until numerous additional parcels are secured through various undetermined means. Development and maintenance costs have not been identified for these parcels or for the Anza Trail. Development and maintenance costs would likely be higher than that of typical trails that are constructed on easements. Because of the sixty-foot width of the parcels, County Parks would need to develop and care for more than twice the acreage of the typical twenty-five foot wide trail area. Additional costs would include the removal of the two existing homes and potential costs could include relocation costs for the tenants that may reside in these homes at the time of purchase.

The following steps are typical for trail planning and development projects:

1. Identify project in Parks and Recreation Element.
2. Identify planning and development funding sources
3. Complete Feasibility Study/ Constraints Analysis.
4. Complete Preliminary Design (connecting two public entry points of interest).
5. Conduct Environmental Review.
6. Complete Final Design
7. Secure easement(s) or acquire land.

8. Secure Permits.
9. Complete Construction Documents
10. Identify Operation and Maintenance funding source
11. Complete Construction.
12. Open trail to public

Typically, multi-discipline consultants are hired to complete these tasks under the direction of Park Planners and Capital Project Coordinators. For example, along this section of Anza Trail one trail easement has been offered to the county as a condition of development, and one trail easement has a delayed offer to the County, as a condition of development, along Price Canyon Road within the Anza Trail corridor (King Properties Development and PXP oilfield property). None of the above steps have been taken to date for this section of the Anza Trail corridor.

#### **IV. Trail Access Acquisition Methods:**

From most common to least common, following are methods for acquiring trail easements:

1. Require trail easements as conditions of discretionary permits;
2. Receive easements as donations from property owners;
3. Obtain Right-of-way vacations or abandonments; and,
4. Purchase easements at or below appraised values.

Generally, County Parks secures twenty to twenty-five foot wide public trail easements as conditions for sub-divisions or development of parcels when they occur along an identified County Trail Corridor. Occasionally, property owners contact staff with a proposed easement offered as a donation and, at times trail easements are secured as a public right of way is vacated or abandoned. Staff seeks to purchase an easement once the majority of sections of a trail corridor are in-hand and one or two sections are needed to complete a trail from one public point of interest to another public point of interest. County Parks does not typically purchase entire parcels that would not complete a public trail.

#### **V. Park Project Evaluation Criteria:**

Below is a list of current High Priority projects in various stages of planning and development that are eligible for funding with Park Public Facilities Fees (PFF). While PFF funds cannot be used for initial studies, they could be considered for actual purchase of trail lands. The High Priority projects are ranked, from highest priority to lowest priority, based on the following scoring criteria, contained in the Parks and Recreation Element of the San Luis Obispo County General Plan. According to these criteria, the Anza Trail section between Pismo Beach and San Luis Obispo is ranked number 16 of 17.

Parks & Recreation Element Project Rating Criteria:

1. Will this project improve health and safety conditions?
2. How effectively does this project impact existing park and recreation service levels?
3. How effectively does this project meet community recreation needs?
4. Are there additional resources available to aid in the implementation of this project (i.e., grants, inter-agency or public/private cooperation)?
5. What is the project's impact on County Park's operating or staff costs?
6. Does this project meet identified, unmet need consistent with current plans and policies (i.e., the Park and Recreation Element, Natural Areas Plan, facility master plans, etc.)?

7. Is this project consistent with the balanced use of the various available County Park development funds (i.e., Public Facilities Fees, Quimby Fees, general funds, etc.)?
8. Will this project generate revenue?
9. Is this project required to make a committed project operational?

**VI. High Priority Park Projects Rating List:**

<b>Project Title</b>	<b>BOS District</b>	<b>Project Description</b>	<b>Rating Per PRE Criteria</b>	<b>Ranking</b>
Bob Jones Pathway – SLO to Ontario Road	3	Multi-use class I pathway from Octagon Barn to Ontario Road- EIR in process- construction partially funded w/ PFF and Grants	33.3	1
Morro Bay to Cayucos Connector	2	Multi-use class I pathway and class III bike route between Morro Bay and Cayucos (California Coastal Trial)- in the permitting process, plans, specifications and estimates funded with grants, grant application submitted for construction	31.3	2
San Miguel Community Park Expansion	1	Expand park by removing K St. & expanding to adjacent parcel. Improvements include: new ball field; and repair of existing facilities - K St. mitigation partially grant funded, additional funding needed for improvements	31	3
Nipomo Community Park Master Plan	4	Master Plan adoption and EIR certification planned for 2012. PFF Funds allocated for playground replacement. Master plan improvements include: restrooms; picnic areas; sports; fields; trails; etc.- unfunded	30	4
Templeton to Atascadero Connector	1 & 5	Multi-use trail connecting Templeton and Atascadero- Design funded by grant, construction unfunded	29.3	5
Cave Landing Trail and Improvements	3	Multi-use trail connecting Pismo Beach to Avila Beach, parking lot improvements, and beach access to pirates cove- - in the permit process, construction fully grant funded	28	6

Avila to Harford Pier Pathway	3	Multi-use class I pathway between Avila Beach and Harford Pier (California Coastal Trail) -design and permits funded with grant funds, construction partially grant funded	27.7	7
Santa Margarita to Garden Farm Connector	5	Multi-use class I pathway connecting Santa Margarita and Garden Farm- easement to be donated, remaining phases unfunded	26	8
Salinas River Corridor Anza Trail	1	Plan for multi-use trail funded with grant. Remaining phases, including construction, unfunded	25	9
Jack Ready Park	4	Assist Jack's Helping Hand with new park development for people with special needs. Improvements include: playground; parking; picnic areas; equestrian facilities; and trails - Jack's Helping Hand has funded park design and access improvements and is striving to raise funds for construction - partially funded	23.3	10 tie
Biddle Park Master Plan	4	Master Plan adoption and environmental review completion planned for 2012. PFF funds allocated for playground replacement. Master plan improvements include: parking; restrooms; picnic areas; ball fields; playgrounds; trails; etc.- unfunded	23.3	10 tie
Dana Adobe Park	4	Acquisition and development of a new park adjacent to the Dana Adobe, in Nipomo. Improvements include: community center; trails; picnic areas,, playgrounds; and interpretive garden - unfunded	23	12
Norma Rose Park Development	2	New park in Cayucos. Improvements include: parking; playground; basketball court; skate park- partially funded with PFF	22	13
North Coast Coastal Trail	2	Plan for multi-use trail funded through grant. Remaining phases, including construction, unfunded	20	14
SLO Botanical Garden Improvements	2	Assist the SLO Botanical Garden with the improvements to the garden and facilities. Improvements include: paving; and amphitheater construction- PFF funded	19.7	15
<b>San Juan Bautista De Anza Trail Property Acquisition in Edna</b>	<b>3</b>	<b>Acquisition of parcels that may become part of the multi-use class I pathway segment between Pismo Beach and San Luis Obispo -</b>	<b>17.7</b>	<b>16</b>

		<b>unfunded</b>		
Pismo Beach to Bob Jones Trail Connector	3	Multi-use class one pathway connecting Pismo Beach to Bob Jones trail - unfunded	11.3	17

Two Park Planners are employed to pursue park projects in a systematic fashion, typically working with consultants to complete studies on the majority of the above projects concurrently. This work is completed in phases while they also seek grant funds, address referrals from the Public Works and the Planning and Building Departments, and follow projects through to completion. Completing the preliminary property investigations and studies, required to provide information needed to consider purchasing property would require significant time and attention of one Park Planner, and one Real Property Services Agent, with additional assistance of County Counsel, Planning, and Public Works staffs. The citizen has requested that the County determine interest in purchase of the three parcels within one year of the Parks and Recreation Commission's recommendation (before April 26, 2013).

## **VII. Funding Options:**

Following are four funding options examined as potential sources to complete the preliminary studies and reports necessary to consider the viability of purchasing the three parcels being considered. Each option presents impacts to the County's ability to provide existing and/or planned park services and projects.

### **1. Park Public Facilities Fees**

Park Public Facilities Fees (PFF's) are impact fees assessed on new residential development. They are collected, upon construction of new residential units, "for the construction, expansion or improvement of Public Facilities, the need for which is caused by new development projects" (PFF - SLO County Ordinance 18.01.010). Currently, there is a balance of approximately \$1,200,000 of undesignated PFF funds.

In review of appropriateness of using PFF funds for this project, County Counsel has determined that PFF funds are not suitable for use in preliminary surveys, reports and efforts necessary to consider the viability of purchasing the three parcels under consideration. Therefore, PFF funds would not be appropriate for the approximately \$40,000 of costs for the preliminary investigation efforts.

However, if the County desired to purchase the parcels, PFF funds could be used for their purchase if all other legal public property purchase steps were completed. Therefore, PFF funds could be used for the potential approximately \$445,000 and upwards of \$100,000 of related additional costs, if the purchase resulted in ultimately creating/ constructing a public trail. Staff recommends that these funds be retained for high priority projects currently in progress.

To date, PFF funds have been designated by the Board of Supervisors for the following park facilities and properties.

Project	PFF Funding Amount	Year Expended
Cave Landing property acquisition	\$1,255,000	2008
Wild Cherry Canyon property acquisition	\$500,000	2010
Bob Jones Trail extension from San Miguel St. to First St., in Avila Beach	\$515,000	2011
Bob Jones Trail from Octagon Barn to Ontario Rd. staging area	\$1,485,000	TBD
SLO Botanical Garden	\$300,000	2012
Ontario Ridge Acquisition	\$50,000	2012
Norma Rose Park	\$450,000	2012
Moonstone Dr. Trail	\$20,000	2011
Heilmann Park Maintenance Building	\$760,000	2011
Biddle Park Playground	\$150,000	TBD
Nipomo Park Playground	\$250,000	TBD

## 2. FC 305 Parks Operations:

Fund Center 305, Park Operations is funded yearly through Board approval to provide for maintenance, operations and maintenance projects on County Park properties. All labor, materials, services and supplies required for yearly routine maintenance is provided through this fund center. Funds to complete the preliminary studies and reports to consider the viability of purchasing the three parcels under consideration are not included in the FY 2012/13 approved budget. These types of costs are generally not funded through the operating budget. If the Board directs staff to expend the approximately \$40,000 of costs for the preliminary consultant efforts from park operations, this would greatly impact County Park's ability to provide for the regular maintenance and care of parks and park properties for fiscal year 2012-13.

## 3. Designated Park Projects Reserves:

Designated Park Project Reserves are funds retained in previous years to provide funding for important maintenance projects. Currently County Parks has millions of dollars of deferred maintenance projects and has been able to fund only the most critical projects that impact the health and safety of park visitors and employees. At the end of FY 2011/12 there was \$214,770 available in the Designated Park Projects Reserves. A portion of these funds have been encumbered to repair leaking roofs, replace a communications cable and remove a water feature that has become an attractive nuisance. The remaining available balance is as follows:

<u>Designated Park Project Reserves balance 6/01/2012</u>	<u>\$214,770</u>
<u>FY 2012/13 approved projects:</u>	<u>Costs</u>
Coastal Dunes Roof Replacements	\$38,000
Coastal Dunes Communications Data Cable	\$22,300
Gilardi Roof/Fungal Damage	\$40,000
Avila Plaza Water Feature Removal	\$26,000
<u>Total Approved Projects FY 2012/13:</u>	<u>\$127,000</u>
<u>Designated Park Project Reserves - Balance Available 7/01/2012:</u>	<u>\$87,770</u>

The \$87,770 available in Designated Park Project Reserves is the total amount available countywide for use if park facilities and properties should experience an emergency need such as campground utilities failure, leaking roofs and health/safety items. For example, the Cayucos Pier experienced damage during 2012 spring storms and high surf. This is a significant project that has recently been assessed by an engineer who estimated repair costs to be \$1,320,000. Another example is the Rios Caledonia Adobe which is in need of preservation work, including exterior plaster, to protect the adobe structure. Construction documents are complete and the engineer's estimate is \$77,438. Staff recommends that these funds be retained for funding critical deferred maintenance projects that preserve historic resources and improve the health and safety of park visitors and employees.

#### **4. General Fund:**

County-wide General Funds are used to fund operating programs countywide and for emergency situations to fund eminent needs. Typically these funds are only used when the designated park project reserves have been depleted and are insufficient to meet the eminent need. Staff recommends that these funds be retained for operations and unforeseen critical needs.

#### **5. Other Agencies, Non-Profits and Private Donations:**

This project has been discussed with the San Luis Obispo Council of Governments (SLOCOG) and the Land Conservancy of San Luis Obispo. The Land Conservancy provided a letter encouraging the County's thoughtful consideration of the southern portion of the De Anza Trail and SLOCOG strongly supports alternative transportation routes. However, each agency noted that neither the expenditures for preliminary studies stage nor purchase stage would present a complete project that could be considered for funding through their agencies.

A private donor campaign has been considered by the leadership of San Luis Obispo Parks and Open Space (SLOPOST). Consideration was given toward securing consultant assistance to hold a fund-raising campaign. This option was determined to be infeasible to SLOPOST given other competing fundraising campaigns, and the uncertain potential outcome of pursuing the preliminary studies required to determine the viability of purchasing these parcels.

#### **VIII. Conclusion:**

County Parks staffs have compiled the above information with the assistance of staffs of the Department of Public Works, County Counsel and the General Services Agency. The information contained is complete for each topic; however, additional studies, if funded, would provide topic-expert work that would likely provide additional information and data.